

Ombudsman's Determination

Applicant	Mr E
Scheme	Bluesky Pension Scheme (the Scheme)
Respondents	Evolve (the Trustee)

Outcome

1. I do not uphold Mr E's complaint and no further action is required by the Trustee.

Complaint summary

2. Mr E complained that three monthly contributions were collected from his salary but were not invested in a timely manner.
3. Mr E said he has incurred administrative costs and spent time writing letters and making telephone calls in order to ensure the contributions were invested into the Scheme.
4. Mr E also said he experienced stress in having this matter put right and he seeks compensation for the inconvenience he has experienced.

Background information, including submissions from the parties

5. The sequence of events is not in dispute, so I have only set out the salient points. I acknowledge there were other exchanges of information between all the parties.
6. Mr E is a member of the Scheme, which is a workplace pension arrangement provided by Mr E's employer (**the Employer**).
7. Mr E joined the Scheme in September 2018 and paid the following monthly contributions from his salary:-

September 2018	£62.50
October 2018	£62.50
November 2018	£62.50

8. In December 2018, Mr E used the Scheme's Member Access Portal (**the Portal**) to view his pension benefits but could not see his invested contributions.
9. On 7 December 2018, having telephoned the Employer to make enquiries, Mr E wrote to the Scheme administrator (**the Administrator**) to ask:-
 - When it had received the contributions from his Employer, and;
 - When each of the monthly contributions had been paid into his pension.
10. Mr E also said the matter was causing him considerable time and effort to resolve, and he was suffering from stress and anxiety as a result.
11. On 28 December 2018, the Administrator responded to Mr E saying:-
 - It apologised that Mr E's contributions were not available to view on the Portal.
 - There were discrepancies in the contribution schedules (**the schedule(s)**) of payments received from the Employer.
 - It was unable to upload any files containing discrepancies. When this happened, its practice was to liaise with the Employer's payroll department regarding the contributions.
 - It could only upload contributions once the discrepancies were resolved. It had been working with the Employer in order to resolve the matter, and assured Mr E the contributions would not be lost and would be allocated to his pension.
12. Mr E received a Benefit Statement (**the Statement**) on 15 January 2019. This showed that his funds were worth £312.45 on that date.
13. On 23 January 2019, Mr E wrote to the Administrator in response to its letter of 28 December 2018, saying:-
 - He was unhappy with its response.
 - He asked for an explanation of when the Scheme had received his pension contributions and when they had been invested.
 - He needed to understand whether, or not, he had "lost out" and whether his pension had suffered due to any investment delays.
14. On 14 February 2019, the Administrator issued a Stage One Internal Dispute Resolution Procedure (**IDRP**) response as follows:-
 - It was disappointed to learn that Mr E was still dissatisfied with matters.
 - It set out the dates his contributions were received and invested, together with the reason for any delay as follows:-

Month	Date Money Received	Date Contribution Schedule Received	Date Contribution invested	Reason for Delay
September	12/10/2018	11/10/2018	09/01/2019	Missing new Employee Data
October	14/11/2018	14/11/2018	09/01/2019	Missing new Employee Data
November	20/12/2018	03/01/2019	09/01/2019	-

- It confirmed that after a contribution had been taken, the Employer had up to the 19th of the following month to make the contribution payment and forward the contribution schedule to the Administrator.
- The Employer's September and October contribution schedules instructed the Administrator to allocate contributions to members for whom the Administrator had no records, meaning it could not upload these contributions.
- It was unable to amend contribution schedules, and these must be sent by the Employer in the correct format before the contributions to which they related could be uploaded.

15. Mr E wrote again to the Trustee on 18 February 2019, saying:-

- He was very disappointed with the Administrator's poor response to his complaint and wanted to escalate matters to Stage Two of the IDRP.
- He did not believe that the Administrator had done all that it could to rectify the matter of missing employee data as it could have telephoned the Employer to obtain the missing data.
- The Administrator was blaming the Employer, but the Employer had said it sent all the data that was required.
- The Administrator was not taking this issue seriously, and he was not the only employee to have been affected.
- The Administrator had not mentioned any loss that he may have incurred as a result of the late investment of his contributions, nor how this would be put right. Further, no compensation had been offered for any loss or for his expenses and the distress he had suffered.
- He felt the Administrator had not fully investigated his complaint and its response to his concerns was "shocking", as was its complaint-handling process. He wanted this aspect of the matter to be added to his complaint.

- The Administrator had failed in its duty of care towards him and failed to administer his pension correctly.

16. On 25 June 2019, the Trustee issued its Stage Two IDR response as follows:-

- It apologised for the disappointment Mr E had experienced when dealing with the Administrator.
- It confirmed the Stage One IDR was factually correct in that contribution schedules could not be uploaded due to missing information.
- In this case, new employee information was missing from the data provided by the Employer in respect of the September 2018 and October 2019 contributions, and therefore these contributions could not be invested.
- The Administrator, by agreement with the Trustee, did not manipulate any data received from the Employer. Instead, if the Employer did not provide contributions and/or data in line with the agreed payment schedule, the Administrator tracked and monitored the issue with the Employer. The evidence indicated the Administrator had taken the matter up with the Employer and the issue was resolved in January 2019.
- The Trustee had compared the amount of units that would have been purchased had the contributions been taken and allocated on time. This demonstrated that slightly greater growth had been achieved following the delay than would otherwise have been the case and, accordingly, Mr E's pension had suffered no financial loss.
- The Trustee noted Mr E's additional complaint regarding communication with the Administrator and failure to address his complaint adequately.
- The Trustee had reviewed the evidence and concluded that the Administrator had acted appropriately when dealing with his enquiries and complaint.
- However, noting that Mr E's concerns could have been dealt with more efficiently, the Trustee also apologised for this situation.

17. Mr E's position:-

- Investment of his contributions was delayed, for which he held the Administrator responsible. However, as the contributions have been invested and there is no loss, he has accepted that this part of his complaint has been resolved.
- He would like compensation for the distress and inconvenience he had suffered in pursuit of his complaint, and in seeking appropriate resolution of the issues regarding his pension contributions.

Adjudicator's Opinion

18. Mr E's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee. The Adjudicator's findings are summarised below:-
- As it had been established that no financial loss had occurred, the Adjudicator only considered Mr E's contention that he should receive compensation for the distress and inconvenience he had suffered, together with redress for his out-of-pocket expenses and for the time he had spent pursuing his complaint.
 - The Adjudicator explained that there was no automatic right to compensation and the act of complaining alone was not a reason to award compensation. There must be evidence of maladministration which had not been put right in a timely, and appropriate manner.
 - The first two contributions about which Mr E complained were deducted from his salary in a timely manner but missing employer data delayed their investment. However, the discrepancies were discovered and corrected within three months of the events that caused the delays. The third contribution was correctly deducted and invested into the Scheme.
 - The Adjudicator did not consider this to be an unreasonable length of time to put matters right. Further, she concluded that the Administrator had provided a reasonable explanation as to what had gone wrong and responded within two weeks to Mr E's further queries, providing him with more detailed information.
 - While noting that it took more than three months to issue the Stage Two IDRP response to Mr E, the Adjudicator did not think this delay would merit compensation, if passed to me for consideration.
19. Mr E did not accept the Adjudicator's Opinion and the complaint was passed to me to determine. Mr E provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion and note the additional points raised by Mr E, which are summarised below:-
- Mr E said the distress and inconvenience caused to him by the late investment of his pension contributions had not been considered.
 - He had to become involved in chasing the Administrator and the Employer to sort the matter out.
 - He should be able to trust that his pension payments would be dealt with in a timely manner and without his constant involvement to ensure payments into his pension were made at the appropriate time.
 - There had been a breakdown of simple administration in the matter of his pension payments, and no-one has acknowledged the inconvenience to which he has been subjected.

- The amount of time he had spent dealing with his complaint had not been taken into account.

Ombudsman's decision

20. Mr E contended that insufficient consideration had been given to time and effort he had spent dealing with his complaint and the distress and inconvenience suffered as a result of the late investment of his contributions.
21. Mr E became aware that the September and October 2018 contributions had not been invested in early December 2018. The matter was put right when the contributions were invested on 9 January 2019. While I acknowledge Mr E's frustration at having to deal with the matter I do not consider the time between becoming aware of the problem and the matter being rectified sufficient to have caused significant distress and inconvenience such that a payment of an award would be appropriate.
22. I do not uphold Mr E's complaint.

Anthony Arter

Pensions Ombudsman
06 December 2021